

WASHINGTON
AND TIMES HERALD

AUG 8 1956

Economic Poverty Behind Suez Crisis

By Marquis Childs

WHILE Secretary of State John Foster Dulles was still in London conferring with the French and the British on the Suez Canal crisis, it was determined that his return should be hailed as another triumph for "brinkmanship" or the art of pulling back from the brink of war.

Dulles' argument for restraint did have a calming effect and he successfully pressed his case for a 24-nation conference on internationalizing the canal. But any sense of triumph, as reflected in the Secretary's reiteration of the force of "moral principles" in his White House talk, has long since faded.

The threat to the canal which, in turn, menaces the whole Western stake in the Middle East, including Europe's oil supply, has brought the painful realization that this country has, in fact, had no Egyptian or Mideast policy in any constructive or positive sense of the word.

It is important to recall the sequence of recent events. On Nov. 14, 1954, Gamal Abdel Nasser supplanted Gen. Mohammed Naguib, who had been aiming at military dictatorship. The private boast widely circulated in Washington was that this bloodless coup had been engineered by the Central Intelligence Agency and that Nasser was "our man."

Shortly afterward, Henry Byroade went as American Ambassador to Cairo. Those who have seen his first dispatches say that he reported not that Nasser was "our man" but that he "could be our man."

THERE FOLLOWED a long haggle over the possible sale of American arms to Egypt, with negotiations reportedly breaking down over Egyptian insistence that payment could be made only in British sterling.

Then came the American-British proposal to build the high Aswan Dam on the Nile. This went so far that Eugene Black, head of the International Bank for Reconstruction, discussed the project with Nasser not once but twice. Black believed that with an initial grant of \$70 million from the two Western powers—\$58 million from the United States and \$14 million from Great Britain—the dam could be built to the great benefit of Egypt.

But abruptly, and with almost no warning to officials of the bank who were studying crossing aspects of a bank loan, Dulles withdrew the American offer.



Childs

One reason is said to have been pressure from Senators from the South, anxious to prevent more world competition from Egyptian cotton, who stipulated that the Aswan Dam deal be called off in return for their support of the foreign aid bill. But whatever the motive, the way in which the offer was pulled back seemed deliberately designed to send Nasser off on some new adventure.

Whatever any and all of his critics say about Nasser is less than the truth. But from the viewpoint of Western policy and the effort to maintain stability in the Middle East, to denounce Nasser as a demagogue is irrelevant.

It is irrelevant to the massive and terrifying facts of present-day Egypt. As the Population Reference Bureau recently pointed out, Egypt's birth rate is one of the highest in the world. At the same time, the death rate, thanks to modern health techniques, dropped 40 per cent between 1945 and 1952.

THE BOILING upsurge of population—23 million people in a country in which 96 per cent of the land is desert—mixed with the dynamite of nationalism, spells revolution of one kind or another.

To the other Arab countries, and even to many of the neutrals, this will seem to be a contest not merely between Arab and Western powers, nor even between "colonial" and "imperial" nations, but between the haves and the have-nots. For this reason, if for no other, it has the most dangerous implications for the oil supply on which the economy of Western Europe depends.

Seen from this viewpoint, it must appear that the West had no alternative but to try to work with Nasser to alleviate the fearful pressures of hunger and population. In Israel, with its heroic struggle to move forward economically and industrially, there must be some realization of the threat inherent in the inflamed Egyptian mass.

The question now is whether this is all in the tragic realm of what might have been or whether it may still be possible to check the swift descent into chaos.